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C O N F I D E N T I A L BRASILIA 001524

SIPDIS

STATE FOR EB/ESC/TFS - GLASS  
STATE FOR S/CT - NAVRATIL  
TREASURY FOR OFAC - NEWCOMB  
TREASURY FOR ZARATE  
TREASURY FOR FINCEN - SHOWELL

E.O. 12958: DECL: 06/14/2015

TAGS: [ETTC](#) [EFIN](#) [PTER](#) [PREL](#) [CVIS](#) [XM](#) [BR](#) [LE](#) [LVPR](#)

SUBJECT: TERRORIST FINANCE - BARAKAT: BRAZILIAN MINISTRY  
OF JUSTICE ON BARAKAT

REF: A. STATE 124995

[1](#)B. BRASILIA 1490

Classified By: Deputy Chief of Mission Richard Virden, Reasons 1.4 (b)  
and (d).

[1](#)1. (C) Emboffs made ref A points on Hizballah financier Barakat to Brazilian Deputy Justice Minister Barreto in a June 21 meeting, following up on previous meetings with the Foreign Ministry (ref B). Barreto said he would like to find a way to be helpful on the Barakat case. Recalling that the GoB had investigated Barakat's finances after the Paraguayan extradition request, Barreto said they had found nothing suspicious in his occasional remittances to Lebanon, which were of amounts on the order of \$500 to \$1000. Barreto agreed to ask COAF, Brazil's financial intelligence unit, to conduct a new investigation into Barakat's Brazilian assets, looking in particular for suspicious activity since Barakat's extradition to Paraguay.

[1](#)2. (C) Barreto suggested that the quickest and most practical avenue to freeze any Barakat assets in Brazil would be for Paraguay to make a formal request pursuant to the Mercosul legal assistance protocol, based on Barakat's tax evasion conviction in Paraguay. This would allow a Brazilian judge to act quickly. Barreto said the GoB had not to date received the sort of specific evidence of Barakat's terrorism finance activities that would enable it to bring charges against him or to enable a judge to freeze or seize his assets. He pointed out that if the USG were to bring its own criminal charges against Barakat for terror finance, the GoB could then freeze his assets pursuant to a USG request under our MLAT. Barreto agreed to look into whether Brazilian law would allow the GoB to take action based on the general exhortation in UNSC 1373 that UN members take action to stop the financing of terrorism -- but he reiterated that the GoB has no formal evidence indicating Barakat's terrorism links.

[1](#)3. (C) Comment: Barreto was forthcoming and disposed to try to find a pragmatic way to help. He repeated the request made by the Foreign Ministry (ref A) for specifics on the terrorist finance charge and on Barakat assets in Brazil to facilitate a GoB investigation.

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